

Managed Equipment Service Advisory

Whittington Hospital NHS Trust
Completed 2006



Background

The Trust had entered into a PFI contract with Jarvis plc to construct and maintain a new facility on the Whittington hospital site. The PFI scheme contained a new modern imaging department but it did not encompass the provision of imaging equipment. The Trust wished to undertake an option appraisal exercise to form part of a full business case, to assess the options available for the provision of state of the art equipment for the new unit.

The preferred option was a stand alone privately financed managed equipment service. Under this option the Trust would be supplied with all of the equipment required for the unit under a managed service covering the supply, maintenance and lifecycle replacement costs.

MTS were advisers to the Trust from the outline business case stage through to financial close for the managed equipment service.

The Challenge

The role of MTS was to advise the Trust from the outset on the equipment requirements for the unit and the options available to provide what was required. Then to guide them through the PFI procurement process in order to secure a partner to provide the equipment.

Using an experienced team which included equipment and financial specialists, MTS were able to assist the Trust with the process and ensure that the outcome represented the most affordable option with the lowest revenue cost implications to deliver activity increases required through the Trust's NHS Plan targets.

The Solution

A review of the options indicated that both financially and non-financially the best solution for the Trust would be a managed equipment service. MTS has experience of such schemes at other hospitals and was able to guide the Trust through the process to ensure they achieved all the benefits of such a service and best value for money. These benefits are:

- The Trust would not be required to undertake the detailed procurement of the imaging equipment which may have



required a high degree of technical liaison with the main PFI Contractor. Instead this was in the hands of the managed service provider whereby the provider guarantees availability of equipment at the point of handover.

- The managed service provider could potentially take over all medical equipment in the Imaging Department and be responsible for all maintenance. A managed service contract places maintenance standards on the managed service provider who will manage the risks around ensuring appropriate maintenance levels to deliver service continuity.
- The managed service provider is responsible for the replacement of all equipment in the Equipment Replacement Plan. This places much greater certainty for the Trust in knowing its equipment will be replaced and when. This again will assist in maintaining continuity of service provision.
- A managed service provider ensures technological upgrades and developments are achieved when equipment is replaced.
- User training forms part of a managed service. Because of the performance guarantees it is also in the interests of the managed service provider to provide a high level of training support.

'The team from MTS embraced technical, commercial and financial advisors and this depth of experience proved a great assistance in leading the Trust through a range of issues including the interface with a continually changing construction programme'

Steve Job, Project Director, Whittington NHS Trust



About MTS

- We are the largest Health and Education Equipment Advisors in the UK.
- Our consultancy has brought together a team of eight personnel which has been providing high levels of support over 25 years.
- Our equipping consultancy includes asset auditing and reporting, equipment scheduling, architectural interfacing, equipment specifications and procurement programme/project management and equipment mobilisation, commissioning and installation.
- Our team are working with Partners in PFI, P21, ISTC's, Mental Health, PCTs and Community Health.

Impacts

MTS was able to bring added value to the project through the knowledge of the mechanics of a managed equipment service and ensure that the procurement process and the contractual and financial mechanisms were robust. We have templates for the contractual documentation which greatly reduces the time required to set up the service.

Our strong relationship with key players in the market and PFU and through working closely with the Trust project team, we helped to ease the project through in order to meet deadlines and ensure that the unit would be fully equipped in line with the building programme and successful completion.

In addition to this the team has the technical knowledge to advise on the actual items of equipment being sought and the appropriateness of the solution being offered by the managed service provider.



managed technology services

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